

Memorandum

To: Food Service Directors/Managers

From: Michael E. Gill

Date: December 8, 2003

Re: Commodity Deliveries and Recipient Agency Inventories

The State Agency's Food Distribution Program (FDP) CNPweb™ module development will change the way commodities are distributed during SY 05 and thereafter. Due to these changes the State Agency must advertise for new commodity warehousing and distribution bids. The bid process is expected to be completed by the end of April.

Recipient agencies must be prepared to have a new distributor beginning July 1, 2004. In preparation for this possibility, recipient agencies shall plan to have all State Agency allocated commodities delivered no later than June 25, 2004.

The new CNPweb™ FDP module will not permit entry of recipient agency commodity inventory from SY04. Therefore, any State Agency allocated commodities remaining in a recipient agency account at a State Agency contracted distributor as of July 1, 2004 will revert to the State Agency account for redistribution under the new CNPweb™ FDP module. Recipient agencies will not receive a refund of any fees associated with commodities that are transferred to the State Agency account. The recipient agency will also lose the associated commodity Planned Assistance Level. Recipient agency processed commodity inventory (R/A has a State Agency approved commodity processing agreement) that may be stored at the State Agency contracted distributor will not be affected.

Recipient agencies have two options to the above-described situation. One, a recipient agency may negotiate a separate agreement with their current commodity distributor to store and deliver their commodities after June 30, 2004. Such an agreement must be in place by June 25, 2004. Two, the recipient agency may have their commodities delivered to another storage facility by June 25, 2004 for later deliver or pick up. Under these two options, the recipient agency will be responsible for all additional fees. The State Agency will not refund any portion of the commodity assessment charge including the delivery fee.